BANK OF CANADA
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Senior Loan Officer Survey

on Business-Lending Practices in Canada

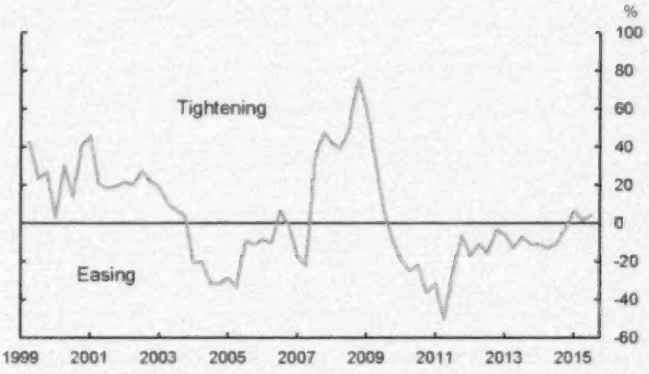
Results of the Third-Quarter 2015 Survey | Vol. 8.3 | 9 October 2015

This *Senior Loan Officer Survey* (SLOS) suggests that business-lending conditions were largely unchanged during the third quarter of 2015 (**Chart 1**). This is the fourth consecutive quarter of basically stable lending conditions.

- Price conditions in the third quarter were unchanged, while non-price conditions tightened slightly (**Chart 2**).[1,2]
- For all borrower types, price conditions remained unchanged. Non-price conditions tightened for commercial and corporate borrowers but did not change for small business borrowers.
- As in the previous survey, the tightening in non-price lending conditions was concentrated in the oil and gas sector. The tightening for commercial borrowers this quarter occurred in the Prairies.
- The balance of opinion suggests a decrease in the demand for credit from corporate borrowers in the third quarter and an increase from small and commercial borrowers.

Chart 1: **Senior loan officers reported that business-lending conditions for Canadian non-financial firms were mostly unchanged...**

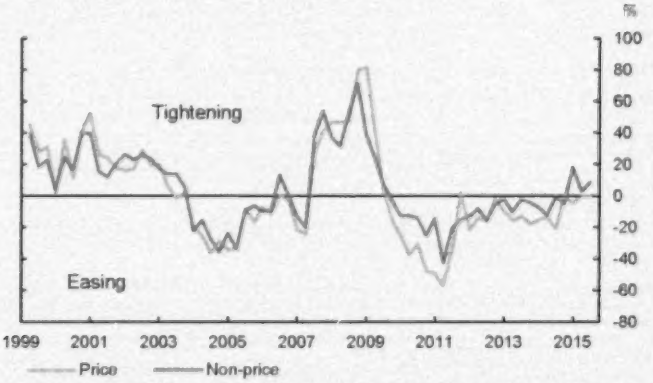
Overall business-lending conditions: Balance of opinion[a]



a. The balance of opinion is calculated as the weighted percentage of surveyed financial institutions reporting tightened credit conditions minus the weighted percentage reporting eased credit conditions. Thus, a positive balance of opinion implies a net tightening. The chart shows the average of the balances of opinion for the price and non-price dimensions of lending conditions.

Chart 2: **...with a slight tightening in terms of non-price conditions**

Price and non-price lending conditions: Balance of opinion[a]



a. The balance of opinion is calculated as the weighted percentage of surveyed financial institutions reporting tightened credit conditions minus the weighted percentage reporting eased credit conditions.

Note: Each series is the simple average of the balances of opinion for the small business, commercial and corporate sectors.

[1] The SLOS defines the pricing of credit as spreads over base rates rather than as the level of rates.

[2] Note that the balance of opinion suggests only the direction of the net change in lending conditions; it does not provide information on the magnitude of the change.

The *Senior Loan Officer Survey* collects information on the business-lending practices of major Canadian financial institutions. In particular, the survey gathers the perspectives of respondents on price and non-price terms of business lending and on topical issues of interest to the Bank of Canada. The survey is conducted quarterly, near the end of the quarter for which the results are reported. The third-quarter survey was conducted between 8 and 11 September 2015. Additional information on the survey is available on the Bank of Canada's website. The survey results summarize opinions expressed by the respondents and do not necessarily reflect the views of the Bank of Canada.

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